
SECURITY ASSISTANCE PERSPECTIVES

Trends in Conventional Arms Transfers to the Third World by Major Suppliers, 1983 - 1990

By

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[The following represents extracts from an unclassified report of conventional arms transfers as published under the above title by the Library of Congress on August 2, 1991. The selections included herein begin with a discussion of major research findings regarding the dollar value of both arms transfer agreements and arms deliveries to the Third World from 1983 through 1990. These findings are all cross-referenced to comparative data tables which are presented following the textual material. Special attention is given to the roles of the United States, Soviet Union, and China as arms suppliers, to arms trade with Iran and Iraq, and to identification of the leading Third World arms recipient nations. The report concludes with a listing of the type and quantity of weapons delivered to the Third World by major arms suppliers in the 1983-1990 time period. Copies of the complete 82 page study (Report No. 91-578 F) are available from the Foreign Affairs and National Defense Division, Congressional Research Service, The Library of Congress, Washington DC 20540.]

INTRODUCTION

The year 1990 continued the major political transitions and realignments wrought by the ending of the Cold War. Germany reunited, many Eastern European nations made further steps toward democracy and establishment of market economies, and the Soviet Union continued to grapple with a myriad of domestic political and economic issues.

Because of reductions in defense procurement in the United States resulting from the Cold War's end, American arms producers began to focus greater attention on obtaining foreign markets for their weapons to compensate partially for shrinking domestic orders. By late 1990, U.S. Executive Branch officials decided to offer government support for American arms exporters and began plans to seek Congressional approval for a \$1 billion pilot program. Reductions in domestic defense spending also occurred in major arms supplying nations in Europe, while their traditional foreign arms sales programs continued. Arms exports by European suppliers have generally been much more important to the vitality of their defense industries than has been the case for those of the United States.

The net result of these events has been the development of an intense competition for a greater share of the existing and prospective Third World arms market. Various arms producers in the United States and in foreign countries face the prospect of having to close production lines for certain weapons systems if they cannot secure sufficient export contracts.

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The Iraqi invasion of Kuwait on August 2, 1990, and the threat it posed to neighboring states led to an acceleration of arms purchases by Saudi Arabia, among others. The United States secured major arms agreements in the late Summer of 1990. The subsequent outstanding performance of many American weapons systems during the air and ground campaigns of Operation Desert Storm against Iraq in January and February 1991 undoubtedly enhanced the prestige of these arms in the Middle East and elsewhere in the Third World. This may create a high interest in obtaining such weapons among Third World nations friendly to the United States, even though most systems used in Operation Desert Storm are very sophisticated, very expensive, and require highly skilled personnel to operate them effectively.

In the scramble to gain an increased Third World arms market share, the traditional leading suppliers have some distinct advantages, notably a variety of high-quality items to sell and greater flexibility in lowering prices to secure a contract. Smaller arms suppliers are less able to lower prices and still make a profit. Smaller suppliers, however, may be able to supply medium and lower technology items at competitive prices to Third World states for whom the lowest price for a basic weapon system is the most critical consideration.

Some leading arms suppliers will still encounter important difficulties in increasing their sales in the near term, given their own economic needs in the current international environment. For example, the Soviet Union, the leading supplier of weapons to the Third World in most years, strongly desires to obtain hard currency from its weapons sales. In light of its serious domestic economic problems, the Soviet Union will be hard pressed to give deep discounts and grants for arms purchases to its traditional clients as it has in the past.

While the current international circumstances have created a buyer's market for weapons in the Third World, key problems remain for some major Third World arms purchasers. Many Third World states lack significant cash reserves and are thus dependent on securing credit from sellers to conclude major arms purchases. In important instances, it may not be possible for some prospective arms suppliers to provide this credit because these suppliers are strapped with financial problems of their own and cannot or will not risk the prospective losses that might result from the extension of such credit. Furthermore, some nations and international lending institutions, such as the IMF, the UN Development Program, and The World Bank have raised concerns over the high levels of Third World defense expenditures and may recommend linking future aid transfers to such countries with reductions in defense spending.

The inability or unwillingness of some Third World arms purchasers to pay for their weapons on a timely basis has also reduced their attractiveness as clients. This suggests that in the near future only those Third World nations that clearly have the means to pay for their weapons will be likely to obtain them. This seems certain to make the oil-rich nations of the Near East a continuing focus of major marketing efforts by arms manufacturers of many nations attempting to deal with the economic consequences of the Cold War's end.

In 1991, however, a new element was added to the arms transfer equation: the prospect of an arms transfer restraint regime for the Near East region, and perhaps, ultimately, for the rest of the world. Support for this initiative resulted from concerns stimulated by Iraq's massive arms buildup in the 1980s, which facilitated its invasion and temporary occupation of Kuwait. Should the key arms supplying nations agree to regulate arms transfers to the Near East region—the largest arms market in the Third World—it could result in notable reductions in overall Third World arms trade.

This report provides unclassified background data on transfers of conventional arms to the Third World by major suppliers for the period from 1983 through 1990. It updates and revises the study entitled "Trends in Conventional Arms Transfers to the Third World by Major Supplier,

1982-1989" which was published by the Congressional Research Service (CRS) on June 19, 1990 (CRS Report 90-298F). The data in this new report completely supersede all data published in previous editions. Since various changes occur in the data from one edition of the report to the next, only those data in the most recent edition should be used. Comparisons of data in earlier editions with those in the most recent edition can result in significant computational errors.

MAJOR FINDINGS

General Trends in Arms Transfers to the Third World

The general decline in the value of new arms transfer *agreements* with the Third World seen in recent years was reversed in 1990. The value of all arms transfer agreements with the Third World in 1990 was \$41.3 billion. This was first year since 1987 when the total value of arms transfer agreements with the Third World increased over the previous year (in constant 1990 dollars). (See table 1A.) The end of the Iran-Iraq war in mid-1988 and the scaling back of other regional conflicts such as the civil war in Angola have contributed to a general lack of growth in the Third World arms market since 1987. Were it not for the Kuwait crisis in August 1990 and the major new arms agreements it helped stimulate, it is likely that the figures for total Third World arms transfer agreements for calendar year 1990 would have either remained at roughly 1989 levels or continued their decline.

At the same time, in 1990 the value of all arms *deliveries* to the Third World (\$26.3 billion) was the lowest of any year during the period from 1983-1990. This is the third consecutive year since 1987 that the value of all arms deliveries to the Third World dropped significantly. This pattern reflects the impact of the end of the Iran-Iraq war and the winding down of other regional conflicts in the Third World (in constant 1990 dollars). (See Table 2A.) However, if most arms transfer agreements concluded with the Third World in 1990 are fully implemented, then the total value of arms deliveries may increase in future years.

The Soviet Union and the United States have dominated the Third World arms market as the top two suppliers from 1983-1990. Collectively, the two superpowers accounted for over 60 percent of all arms transfer agreements with and arms deliveries to the Third World during these years. (See Tables 1B and 2B.)

The Third World arms market today is comprised of three tiers of suppliers. In the first tier is the Soviet Union and the United States whose positions far surpass those of all other arms suppliers to the Third World. In the second tier is France, the United Kingdom, and China whose positions are notably less than those of the Soviet Union and the United States, but substantially above the positions of the remaining arms suppliers to the Third World. The five nations in the first two tiers have the means to supply the most advanced weapons systems to the Third World in quantity and on a continuing basis. In the third tier are both other traditional European arms suppliers as well as suppliers—largely developing countries—that have generally been marginal and sporadic participants in the Third World arms trade. The names of countries in this third tier are likely to change from time to time, especially at its lower end, since some of these nations lack the means to be major suppliers of advanced military equipment on a sustained basis. Some of them, however, are capable of having an impact on potential conflicts within Third World regions because of their willingness to supply weapons based almost exclusively on commercial considerations. (See Tables 1F and 2F.)

Many recipient nations in the Third World continue to absorb the weaponry they bought in the late 1970s and early 1980s and are not purchasing large numbers of new, expensive items. In recent years, purchases have included a greater proportion of spare parts, ammunition, and support services, items much less costly than major weapons system such as combat aircraft, main battle

tanks, or ships. The Iraqi invasion of Kuwait in August 1990 did, however, accelerate major purchases by key Persian Gulf states. This reversed the overall pattern of decline in Third World arms transfer agreements that began after 1987.

Many Third World countries continue to be burdened by significant debts and are thus unable or unwilling to commit the funds necessary to obtain additional weapons they might otherwise buy. Some oil-rich nations in the Third World have made more selective purchases in recent years as oil revenues have declined, and they have sought various concessions from suppliers to offset the costs involved in procuring weapons. These factors apply in differing ways to individual countries. But their collective effect throughout the Third World has been to keep the arms market generally flat, with few exceptions.

United States

In 1990, the total value, in real terms, of U.S. arms transfer agreements with the Third World increased dramatically from the previous year's total, rising from nearly \$8 billion in 1989 to \$18.5 billion in 1990. For the first time since 1983, the United States ranked first in arms transfer agreements with the Third World. The U.S. share of the value of all such agreements was 44.8 percent in 1990, up from 23.6 percent in 1989 (in constant 1990 dollars.) (See Tables 1A and 1B.)

The extraordinary increase in the value of U.S. arms transfer agreements in 1990 is directly attributable to very costly new orders from Saudi Arabia. In 1990, the value of Saudi Arabia's arms transfer agreements with the United States was over \$14.5 billion. These agreements constituted 78.7 percent of all U.S. arms transfer agreements with the Third World. The value of the Saudi agreements with the United States also exceeded the total value (\$12.1 billion) of all arms transfer agreements made by the Soviet Union with the entire Third World in the same year.

The signing of a few particularly large contracts for major weapons systems generally determines whether the total value of U.S. arms transfer agreements in any given year is high relative to other years. The extraordinary Third World agreements figure for the United States in 1990 illustrates this point. The U.S. arms transfer agreements figure not only includes the large arms agreements made *after* the August 2 Iraqi invasion of Kuwait, but also consummation of major U.S. arms transfer agreements with Saudi Arabia in 1990 reached in whole or in part *prior* to the Kuwait crisis. Some of these *pre-August* Saudi arms deals were quite large. They included, for example, an estimated \$3 billion package of 1,117 light armored vehicles (LAVs) and associated weapons and equipment, 2,000 TOW II missiles and 116 TOW launchers, and 27 M198 155 mm howitzers for the Saudi National Guard; an estimated \$3.1 billion agreement for a ground weapons package that included 315 M1A2 main battle tanks, with associated weapons and equipment, 30 M88A1 tank recovery vehicles, and a variety of other military trucks, ammunition and support equipment; and a \$600 million package of system upgrades of the Saudi E-3A AWACS and KE-3 tanker aircraft. Thus, the United States and Saudi Arabia concluded an estimated \$6.1 billion worth of major arms transfer agreements *prior* to the Iraqi invasion of Kuwait out of a calendar year total of over \$14.5 billion.

United States weapons systems have been built primarily for the American armed services, with only secondary consideration being given to foreign sales. As a result these arms are more advanced, complex and costly than those of most other suppliers of arms to the Third World. Aggressive promotion of foreign purchases of American weapons has not been the traditional policy of the U.S. Government. The U.S. Government, through various means, has also controlled and restricted transfers of U.S. weaponry to the Third World. In late 1990, however, the U.S. Executive Branch did decide to offer limited government support for American arms exporters and initiate efforts to secure congressional approval to fund such an effort. And, as the

dramatic events surrounding the Kuwait crisis of 1990 demonstrated, the United States will make major sales of advanced arms to friendly Third World states whenever its Government believes that U.S. national interests are served by doing so.

Soviet Union

The total value of the Soviet Union's agreements fell from \$13 billion in 1989 to \$12.1 billion in 1990. The Soviet Union registered a significant decline in its share of Third World arms transfer agreements, falling from 38.5 percent in 1989 to 29.2 percent in 1990. (See Tables 1A and 1B.)

During the 1983-1990 period, Soviet arms transfer agreements with the Third World ranged from a low of \$8.6 billion to a high of \$26.1 billion. But with the exception of 1987, Soviet agreement totals have declined from those of the previous year from 1985 through 1990. Like the United States, the total value of Soviet arms transfer agreements can be affected significantly by a decline or increase in orders for major weapons systems.

However, the Soviet Union has had long-standing supplier relationships with many of the leading purchasers of weapons in the Third World. Indeed, in 1990 it was the major supplier to five of the top ten Third World arms recipients. The Soviet Union has provided these purchasers with a wide range of armaments from the highly sophisticated to the most basic, including a large quantity of ordnance. It has also actively sought to export weapons as one means of gaining needed hard currency.

As a consequence, throughout the 1980s, the Soviets sustained a consistently high level of arms transfer agreements with the Third World. It seems likely, therefore, that the Soviet Union's comparatively lower level of arms transfer agreements in 1990 reflects a decline in demand from key Soviet clients as well as a reduction in agreements with Iraq, the Soviet Union's leading customer in the 1980s. It also likely reflects, in part, Soviet cutbacks on costly commitments to some traditional clients that have been involved in regional conflicts that are ending.

China

In the 1980s, China emerged as an important supplier of arms to the Third World, in large measure due to agreements with Iran and Iraq. The value of China's agreements with the Third World reached a peak of nearly \$5.2 billion in 1987. China ranked fourth among all suppliers in the value of its arms transfer agreements with the Third World from 1987-1990. In 1990 China ranked third among all suppliers with nearly \$2.6 billion in arms transfer agreements (a 6 percent share of all such agreements) (tables 1A and 1F).

As a nation able and willing to supply a wide variety of basic weapons and ammunition cheaply, and in quantity, China was well positioned to take advantage of the wartime requirements of Iran and Iraq. During the 1983-1990 period, over 48.4 percent of all of China's arms transfer agreements with the Third World were with Iran and Iraq collectively. During 1987-1990, China became Iran's largest single arms supplier, concluding *agreements* valued at over 33 billion and making *deliveries* valued at nearly \$2.4 billion (in *current* dollars). (See Table 1F.)

It is not clear whether China will be able to sustain its level of arms sales to the Near East region now that the Iran-Iraq War has ended and it is a party to discussions aimed at regulating arms transfers to this region. Of particular interest is China's ability and willingness to sell various missiles throughout the Third World. In the latter half of the 1980s, China sold and delivered CSS-2 Intermediate Range Ballistic Missiles to Saudi Arabia, Silkworm anti-shiping missiles to Iran, and anti-tank and other surface-to-surface missiles to various Third World purchasers. Given

China's need and desire to obtain hard currency, it seems prepared to pursue arms sales opportunities it deems appropriate wherever they present themselves. A key question is whether China will agree to curtail its arms transfers to the Near East as part of an arms restraint regime led by major suppliers.

Major West European

The four major West European suppliers (France, United Kingdom, Germany and Italy) registered a decline in their collective share of all arms transfer agreements with the Third World in 1990, falling to 10.3 percent from 22.4 percent in 1989. Of these suppliers, France suffered a notable decline in the value of its agreements from 33.7 billion in 1989 to \$2.2 billion in 1990. The value of the United Kingdom's agreements also fell substantially from \$2.7 billion in 1989 to \$1.6 billion in 1990. Germany registered a significant decrease in the value of its agreements from \$886 million in 1989 to \$190 million in 1990. Italy's decrease in agreements value was marginal, falling from \$268 million in 1989 to \$230 million in 1990 (in constant 1990 dollars). (See Tables 1A and 1B.)

Throughout the period from 1983-1990, the major West European suppliers, as a group, averaged over 17 percent of all arms transfer agreements with the Third World. Throughout the 1983-1990 period, individual suppliers within the major West European group have had exceptional years for arms agreements, such as France in 1984 (\$7.9 billion) and 1989 (\$3.7 billion), and the United Kingdom in 1985 (\$10.4 billion) and 1988 (\$5.2 billion) in constant 1990 dollars). Such totals have generally reflected conclusion of exceptionally large arms transfer agreements with a major Third World purchaser. (See Tables 1A and 1B.)

Since the four major West European suppliers produce both advanced and basic ground, air, and naval weapons systems, they have the capability to compete successfully with the United States, and in certain instances, with the Soviet Union, for arms sales contracts throughout the Third World. Because these major West European suppliers do not usually tie their arms sales decisions to foreign policy considerations but essentially to economic ones, they have provided a viable alternative source of arms for nations to whom the United States will not sell for policy reasons. Generally strong government marketing support for foreign arms sales enhances the competitiveness of weapons produced by these major West European suppliers.

The Iran-Iraq Arms Market

The trade in arms with Iran and Iraq was a significant element of the entire Third World arms market during the period 1983-1990. The war between these two nations created an urgent demand by both belligerents, throughout most of the 1980s, for conventional weapons of all kinds, from the least sophisticated battlefield consumables to more advanced combat vehicles, missiles, and aircraft. During their war, Iran and Iraq bought arms from both major and minor arms suppliers. In the aftermath of the war, some arms-supplying nations continued to maintain a supply relationship with the combatants that had been forged during the war itself. Other suppliers sought to establish a new relationship where possible. Salient details of supplier relationships with Iran and Iraq are summarized below.

For the 1983-1990 period, the total value of arms transfer *agreements* with Iran and Iraq *collectively* by all suppliers constituted nearly one-sixth (16.4 percent) of all arms transfer agreements by all suppliers with the Third World.

The Soviet Union's share of the value of all arms transfer agreements with Iran and Iraq collectively was 37.8 percent for the 1983-1990 period, while that of China was 14.7 percent.

European suppliers, excluding the four major West Europeans, collectively held a 22.1 percent share of these agreements.

In the period from 1987-1990, which includes the last full year of the Iran-Iraq war (1987) and the first five months of the Kuwait crisis (August-December 1990), significant changes in arms supplying relationships with Iran and Iraq occurred. Most notably the Soviet Union became Iran's second principal supplier, concluding over \$2.7 billion in arms transfer agreements during this period. This Soviet total contrasts markedly with its \$10 million figure for arms agreements with Iran from 1983-1986. China remained Iran's leading arms supplier during the 1987-1990 period, making over \$3 billion in agreements, up from over \$1.8 billion in the 1983-1986 period (in *current* dollars).

Other suppliers registered notable declines in their arms transfer agreements with Iran from the 1983-1986 period (when the Iran-Iraq war was at its height) to the 1987-1990 period. Iran's arms agreements with the four major West European suppliers as a group declined from \$865 million in 1983-1986 to \$145 million in 1987-1990. The agreements of all other European suppliers collectively with Iran declined from over \$3.8 billion in 1983-1986 to about \$2.1 billion in 1987-1990. Arms agreements with Iran by all other suppliers as a group declined from nearly \$2.4 billion in 1983-1986 to less than \$2 billion in 1987-1990 (in *current* dollars).

During 1987-1990, Iraq made nearly \$10 billion in arms transfer agreements with all suppliers. Of this total, nearly \$4.1 billion agreements were made with the Soviet Union (over 41 percent of all of Iraq's agreements). While a substantial total, Soviet agreements with Iraq late in the decade were dramatically less than in the period 1983-1986 when their value was over \$11.8 billion and represented nearly 57.7 percent of all of Iraq's arms agreements. This sharp decline in the value of the Soviet Union's arms agreements with Iraq, its leading customer in the Third World through most of the 1980s, reflects both the slowing down of arms deals as the Iran-Iraq war ended as well as the impact of Soviet participation in the United Nations arms embargo against Iraq which began August 6, 1990.

The only supplier group to increase arms transfer agreements with Iraq in the recent period was the four major West European suppliers—their agreements rose to nearly \$2.7 billion in the 1987-1990 period from about \$1 billion in 1983-1986. The value of the arms agreements with Iraq of all other suppliers as a group, however, fell from over \$1.9 billion in 1985-1986 to about \$1.6 billion in 1987-1990 (in *current* dollars). As in the case of the Soviet Union, these declines in arms transfer agreement values are likely attributable to the winding down of the Iran-Iraq war after 1987 and the impact of the U.N. embargo on arms transfers to Iraq. Most other arms suppliers registered notable declines in the value of their arms agreements with Iraq from the 1983-1986 period to the 1987-1990 period. China's arms agreements values dropped from nearly \$1.8 billion in 1983-1986 to \$615 million in 1987-1990. European suppliers, excluding the four major West Europeans, collectively experienced a decline in the value of their arms agreements with Iraq from nearly \$4 billion in 1983-1986 to about \$1 billion in 1987-1990 (in *current* dollars).

Leading Third World Arms Recipients

Saudi Arabia and Iraq have been, by a wide margin, the top two Third World arms purchasers from 1983-1990, making arms transfer *agreements* of \$57.3 billion and \$30.4 billion, respectively, during these years (in *current* dollars). The total value of all Third World arms transfer agreements from 1983-1990 was \$301.7 billion (in *current* dollars). Thus, Saudi Arabia and Iraq were responsible for 19 percent and 10.1 percent, respectively, of all Third World arms transfer agreements during this time period. (See Table 1K.)

Five of the ten leading Third World arms recipients registered declines in the value of their arms transfer *agreements* from 1985-1986 to 1987-1990. Some of these declines were significant. All recipients registering major declines were principal customers of the Soviet Union: Iraq declined 51.4 percent, Syria 22.7 percent, India 19 percent and Vietnam 15.2 percent. (See Table 1K.)

Despite large increases in the values of arms transfer *agreements* by some of the top ten Third World arms recipients, the data reflect only an overall 7 percent increase in new arms transfer agreements by the top ten nations collectively from 1983-1986 to 1987-1990. Although their arms purchases in the late 1980s resulted in only a modest rise, these ten recipient nations represent a formidable influence on the total Third World arms market—between 1983-1990 they collectively made 66.1 percent of *all* arms transfer agreements in the Third World (\$199.3 billion out of \$301.7 billion) (in *current* dollars).

Saudi Arabia ranked first among all Third World recipients in the value of arms transfer agreements in 1990, concluding \$18.65 billion in such agreements. The United States was its major supplier.

The Soviet Union was the major supplier to five of the top ten recipients of arms transfer agreements in 1990 (Afghanistan, Iran, India, Cuba, and Vietnam).

Eight of the top ten Third World arms recipients registered declines in the values of their arms *deliveries* from 1983-1986 to 1987-1990. Some declines were substantial, Iraq fell 48.5 percent, from \$26.1 billion to \$13.4 billion; Syria fell 38.9 percent from nearly \$8.6 billion to \$5.2 billion; Egypt fell 37.8 percent, from \$6 billion to \$3.7 billion (in *current* dollars).

The Soviet Union was the major supplier to six of the top ten arms recipients in the Third World in 1990 (Afghanistan, India, Iran, Cuba, Vietnam, and Syria).

Saudi Arabia was the leading recipient of arms in the Third World in 1990, receiving over \$6.7 billion in *deliveries*. The United Kingdom was its major supplier.

Special Notes

1. **Constant 1990 Dollars.** Throughout this report values of arms transfer agreements and values of arms deliveries for all suppliers are expressed in U.S. dollars. Values for any given year generally reflect the exchange rates that prevailed during that specific year. In many instances, the report converts these dollar amounts (current dollars) into constant 1990 dollars. This helps to eliminate the distorting effects of inflation to permit a more accurate comparison of various dollar levels over time, but the effects of fluctuating exchanges rates are not necessarily neutralized. . . . Because all regional data tables must be composed of four-year aggregate dollar totals (1983-1986 and 1987-1990), they must be expressed in current dollar terms. Where tables rank leading arms suppliers to the Third World or leading Third World recipients using four-year aggregate dollar totals, these values must also be expressed in current dollars. But unless otherwise noted in the report, all dollar values are stated in constant terms.

2. **Definition of the Third World.** The Third World category includes all countries *except* the United States, the Soviet Union, Europe, Canada, Japan, Australia and New Zealand. All data are for the *calendar* year given, except for the U.S. MAP (Military Assistance Program) and IMET (International Military Education and Training) program data in the *agreements* table, which are included for the particular *fiscal* year. All Foreign Military Sales (FMS) *construction* sales and deliveries are *included* in the U.S. values totals.

3. **United States Commercial Arms Exports Excluded.** U.S. *commercial* sales and deliveries data are *excluded*. This is done, in part, the U.S. Foreign Military Sales (FMS) program accounts for the largest portion of U.S. conventional arms transfer agreements and deliveries. Further, the data maintained on U.S. commercial sales agreements and deliveries are significantly incomplete and are less precise than that for the FMS program. There are no *commercial agreement* data comparable to that for the FMS program maintained on an annual basis. Annual *commercial deliveries* data are obtained from shipper's export documents and completed licenses returned from ports of exit by the U.S. Customs Service to the Office of Defense Trade Controls (PM/DTC) of the State Department, which makes the final compilation. This approach to obtaining commercial deliveries data is less systematic than that taken by the Department of Defense for government-to-government transactions.

Although the *rank* of the United States is not affected in any year from 1983-1990 by exclusion of the existing data on U.S. commercial arms *deliveries* to the Third World, the total value of such deliveries is understated somewhat by this exclusion. The values of U.S. Commercial arms deliveries to the Third World for *fiscal* years 1983-1990, according to the State Department were as follows:

| | |
|---------|-------------|
| FY 1983 | \$433,200 |
| FY 1984 | \$1,465,604 |
| FY 1985 | \$2,017,839 |
| FY 1986 | \$1,609,142 |
| FY 1987 | \$2,401,662 |
| FY 1988 | \$3,373,398 |
| FY 1989 | \$1,625,804 |
| FY 1990 | \$564,181 |

[In thousands of current U.S. dollars]

TABLE 1A
ARMS TRANSFER AGREEMENTS WITH THE THIRD WORLD, BY SUPPLIER
1983-1990
(In millions of constant 1990 U.S. dollars)

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| United States | 10,214 | 7,889 | 5,645 | 3,999 | 5,823 | 9,346 | 7,997 | 18,496 |
| Soviet Union | 8,599 | 26,089 | 20,021 | 19,233 | 25,280 | 15,197 | 13,041 | 12,070 |
| France | 2,150 | 7,936 | 1,805 | 1,489 | 3,556 | 3,301 | 3,712 | 2,250 |
| United Kingdom | 847 | 902 | 10,369 | 1,037 | 571 | 5,221 | 2,713 | 1,575 |
| China | 1,050 | 417 | 1,658 | 2,056 | 5,170 | 2,113 | 1,447 | 2,590 |
| Germany | 683 | 938 | 270 | 567 | 865 | 166 | 886 | 190 |
| Italy | 1,448 | 852 | 1,528 | 699 | 144 | 198 | 268 | 230 |
| All other | | | | | | | | |
| European | 5,842 | 4,005 | 5,308 | 8,167 | 2,524 | 1,990 | 2,023 | 2,240 |
| All others | 5,773 | 2,189 | 2,245 | 2,847 | 2,668 | 3,349 | 1,802 | 1,670 |
| Total | 36,605 | 51,217 | 48,850 | 40,093 | 46,603 | 40,880 | 33,888 | 41,311 |

TABLE 1B
ARMS TRANSFER AGREEMENTS WITH THE THIRD WORLD, BY SUPPLIER
1983-1990
(Expressed as a percent of Total, by year)

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| United States | 27.90% | 15.40% | 11.56% | 9.97% | 12.49% | 22.86% | 23.60% | 44.77% |
| Soviet Union | 23.49% | 50.94% | 40.98% | 47.97% | 54.25% | 37.18% | 38.48% | 29.22% |
| France | 5.87% | 15.49% | 3.69% | 3.71% | 7.63% | 8.07% | 10.95% | 5.45% |
| United Kingdom | 2.31% | 1.76% | 21.23% | 2.59% | 1.23% | 12.77% | 8.01% | 3.81% |
| China | 2.87% | 0.81% | 3.39% | 5.13% | 11.09% | 5.17% | 4.27% | 6.27% |
| Germany | 1.87% | 1.83% | 0.55% | 1.41% | 1.86% | 0.41% | 2.61% | 0.46% |
| Italy | 3.96% | 1.66% | 3.13% | 1.74% | 0.31% | 0.48% | 0.79% | 0.56% |
| All Other | | | | | | | | |
| European | 15.96% | 7.82% | 10.87% | 20.37% | 5.42% | 4.87% | 5.97% | 5.42% |
| All Others | 15.77% | 4.27% | 4.60% | 7.10% | 5.73% | 8.19% | 5.32% | 4.04% |
| (Major West European)* | 14.01% | 20.75% | 28.60% | 9.46% | 11.02% | 21.73% | 22.36% | 10.28% |
| TOTAL | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

*Major West European category includes France, United Kingdom, West Germany, and Italy

TABLE 2A
ARMS DELIVERIES TO THE THIRD WORLD, BY SUPPLIER
1983-1990
(In millions of constant 1990 dollars)

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| United States | 11,644 | 6,666 | 6,134 | 6,844 | 7,788 | 4,612 | 3,380 | 5,033 |
| Soviet Union | 20,764 | 19,901 | 15,989 | 19,084 | 21,230 | 20,520 | 17,859 | 12,835 |
| France | 4,767 | 5,029 | 5,866 | 4,971 | 2,707 | 1,632 | 1,900 | 2,010 |
| United Kingdom | 1,669 | 1,650 | 1,176 | 3,150 | 4,028 | 599 | 2,430 | 2,635 |
| China | 1,966 | 2,527 | 782 | 1,432 | 2,036 | 2,712 | 2,008 | 1,340 |
| Germany | 1,625 | 3,091 | 811 | 355 | 649 | 599 | 345 | 280 |
| Italy | 1,549 | 1,558 | 1,240 | 624 | 411 | 235 | 72 | 35 |
| All Others | | | | | | | | |
| European | 4,110 | 6,495 | 5,913 | 4,364 | 4,333 | 3,279 | 1,859 | 1,145 |
| All others | 2,396 | 4,262 | 2,486 | 1,970 | 3,378 | 3,520 | 2,013 | 1,015 |
| TOTAL | 50,491 | 51,177 | 40,399 | 42,795 | 46,559 | 37,708 | 31,866 | 26,328 |

TABLE 2B
ARMS DELIVERIES TO THE THIRD WORLD, BY SUPPLIER
1983-1990
(Expressed as a percent of Total, by year)

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| United States | 23.06% | 13.03% | 15.18% | 15.99% | 16.73% | 12.23% | 10.61% | 19.12% |
| Soviet Union | 41.12% | 38.89% | 39.58% | 44.59% | 45.60% | 54.42% | 56.05% | 48.75% |
| France | 9.44% | 9.83% | 14.52% | 11.62% | 5.81% | 4.33% | 5.96% | 7.63% |
| United Kingdom | 3.31% | 3.22% | 2.91% | 7.36% | 8.65% | 1.59% | 7.63% | 10.01% |
| China | 3.89% | 4.94% | 1.94% | 3.35% | 4.37% | 7.19% | 6.30% | 5.09% |
| Germany | 3.22% | 6.04% | 2.01% | 0.83% | 1.39% | 1.59% | 1.08% | 1.06% |
| Italy | 3.07% | 3.04% | 3.07% | 1.46% | 0.88% | 0.62% | 0.23% | 0.13% |
| All Others- | | | | | | | | |
| European | 8.14% | 12.69% | 14.64% | 10.20% | 9.31% | 8.70% | 5.83% | 4.35% |
| All Others | 4.75% | 8.33% | 6.15% | 4.60% | 7.26% | 9.33% | 6.32% | 3.86% |
| (Major West European)* | 19.03% | 22.13% | 22.51% | 21.27% | 16.74% | 8.13% | 14.90% | 18.84 |
| TOTAL | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

*Major West European category includes France, United Kingdom, West Germany, and Italy

TABLE 1F
ARMS TRANSFER AGREEMENTS WITH THE THIRD WORLD, 1983-1990
LEADING SUPPLIERS COMPARED
(In millions of current U.S. dollars)

| Rank | Supplier | Agreements Value 1983-1986 |
|-------------|-----------------|-------------------------------------------|
| 1 | U.S.S.R. | 61,890 |
| 2 | U.S. | 22,802 |
| 3 | U.K. | 11,130 |
| 4 | France | 11,005 |
| 5 | China | 4,375 |
| 6 | Italy | 3,750 |
| 7 | Czechoslovakia | 3,025 |
| 8 | Spain | 2,820 |
| 9 | Poland | 2,705 |
| 10 | Brazil | 2,195 |
| 11 | Israel | 2,045 |

| Rank | Supplier | Agreements Value 1987-1990 |
|-------------|-----------------|-------------------------------------------|
| 1 | U.S.S.R. | 61,725 |
| 2 | U.S. | 40,247 |
| 3 | France | 12,145 |
| 4 | China | 10,630 |
| 5 | U.K. | 9,605 |
| 6 | North Korea | 2,135 |
| 7 | Germany | 1,985 |
| 8 | Switzerland | 1,555 |
| 9 | Yugoslavia | 1,370 |
| 10 | Spain | 1,125 |
| 11 | South Korea | 1,005 |

| Rank | Supplier | Agreements Value 1983-1990 |
|-------------|-----------------|-------------------------------------------|
| 1 | U.S.S.R. | 123,615 |
| 2 | U.S. | 63,049 |
| 3 | France | 23,150 |
| 4 | U.K. | 20,735 |
| 5 | China | 15,005 |
| 6 | Italy | 4,555 |
| 7 | Germany | 4,015 |
| 8 | Spain | 3,945 |
| 9 | Czechoslovakia | 3,565 |
| 10 | North Korea | 3,470 |
| 11 | Israel | 3,025 |

Source: U.S. Government

TABLE 2F
ARMS TRANSFER DELIVERIES TO THE THIRD WORLD, 1983-1990
LEADING SUPPLIERS COMPARED
(In millions of current U.S. dollars)

| Rank | Supplier | Deliveries Value 1983-1986 |
|-------------|-----------------|-------------------------------------------|
| 1 | U.S.S.R. | 62,905 |
| 2 | U.S. | 25,836 |
| 3 | France | 17,200 |
| 4 | U.K. | 6,420 |
| 5 | China | 5,530 |
| 6 | Germany | 4,805 |
| 7 | Italy | 4,095 |
| 8 | Czechoslovakia | 2,770 |
| 9 | Spain | 2,110 |
| 10 | Yugoslavia | 1,770 |
| 11 | Israel | 1,540 |

| Rank | Supplier | Agreements Value 1987-1990 |
|-------------|-----------------|-------------------------------------------|
| 1 | U.S.S.R. | 68,495 |
| 2 | U.S. | 19,646 |
| 3 | U.K. | 9,185 |
| 4 | France | 7,820 |
| 5 | China | 7,660 |
| 6 | Germany | 1,760 |
| 7 | North Korea | 1,665 |
| 8 | Poland | 1,535 |
| 9 | Sweden | 1,415 |
| 10 | Czechoslovakia | 1,355 |
| 11 | Israel | 1,330 |

| Rank | Supplier | Agreements Value 1983-1990 |
|-------------|-----------------|-------------------------------------------|
| 1 | U.S.S.R. | 131,400 |
| 2 | U.S. | 45,482 |
| 3 | France | 25,015 |
| 4 | U.K. | 15,600 |
| 5 | China | 13,190 |
| 6 | Germany | 6,565 |
| 7 | Italy | 4,790 |
| 8 | Czechoslovakia | 4,125 |
| 9 | North Korea | 3,060 |
| 10 | Spain | 3,040 |
| 11 | Poland | 2,910 |

Source: U.S. Government

TABLE 3
Number of Weapons Delivered by Major Suppliers
to the Third World*

| <u>Weapons Category</u> | <u>U.S.</u> | <u>U.S.S.R.</u> | <u>China</u> | <u>Major Western** European</u> | <u>All Other European</u> | <u>All Others</u> |
|--------------------------------|-------------|-----------------|--------------|---------------------------------|---------------------------|-------------------|
| 1983-1986 | | | | | | |
| Tanks and Self-Propelled Guns | 1433 | 3020 | 1590 | 460 | 695 | 470 |
| Artillery | 2660 | 4855 | 1410 | 870 | 5740 | 1285 |
| APCs and Armored Cars | 981 | 6550 | 1190 | 1350 | 1770 | 1110 |
| Major Surface Combatants | 4 | 25 | 2 | 37 | 12 | 5 |
| Minor Surface Combatants | 13 | 101 | 17 | 69 | 103 | 55 |
| Guided Missile Boats | 0 | 8 | 14 | 12 | 0 | 0 |
| Submarines | 0 | 7 | 2 | 8 | 0 | 0 |
| Supersonic Combat Aircraft | 216 | 1140 | 95 | 190 | 0 | 11 |
| Subsonic Combat Aircraft | 148 | 80 | 80 | 80 | 0 | 15 |
| Other Aircraft | 144 | 345 | 20 | 315 | 380 | 195 |
| Helicopters | 151 | 685 | 0 | 310 | 100 | 80 |
| Surface-to-Air Missiles (SAMs) | 2210 | 13130 | 350 | 2510 | 6005 | 30 |
| Surface-to-Surface Missiles | 10298 | 10025 | 1010 | 5665 | 7890 | 310 |
| Anti-Shipping Missiles | 102 | 495 | 175 | 1115 | 0 | 10 |
| 1987-1990 | | | | | | |
| Tanks and Self-Propelled Guns | 442 | 3840 | 140 | 25 | 606 | 305 |
| Artillery | 443 | 3790 | 1815 | 2740 | 680 | 1145 |
| APCs and Armored Cars | 588 | 6080 | 535 | 140 | 1280 | 430 |
| Major Surface Combatants | 6 | 18 | 1 | 12 | 0 | 10 |
| Minor Surface Combatants | 7 | 56 | 21 | 97 | 19 | 178 |
| Guided Missile Boats | 0 | 0 | 5 | 2 | 0 | 2 |
| Submarines | 0 | 12 | 0 | 6 | 0 | 3 |
| Supersonic Combat Aircraft | 231 | 670 | 130 | 135 | 1 | 110 |
| Subsonic Combat Aircraft | 27 | 105 | 21 | 65 | 0 | 5 |
| Other Aircraft | 151 | 230 | 20 | 60 | 260 | 181 |
| Helicopters | 130 | 710 | 0 | 165 | 70 | 25 |
| Surface-to-Air Missiles (SAMs) | 1596 | 9830 | 385 | 700 | 190 | 1500 |
| Surface-to-Surface Missiles | 6363 | 4225 | 4160 | 870 | 2720 | 255 |
| Anti-Shipping Missiles | 0 | 530 | 215 | 200 | 0 | 10 |
| 1982-1989 | | | | | | |
| Tanks and Self-Propelled Guns | 1875 | 6860 | 1730 | 485 | 1301 | 775 |
| Artillery | 3103 | 8645 | 3225 | 3610 | 6420 | 2430 |
| APCs and Armored Cars | 1569 | 12630 | 1725 | 1490 | 3050 | 1540 |
| Major Surface Combatants | 10 | 43 | 3 | 49 | 12 | 15 |
| Minor Surface Combatants | 20 | 157 | 38 | 166 | 122 | 233 |
| Guided Missile Boats | 0 | 8 | 19 | 14 | 0 | 2 |
| Submarines | 0 | 19 | 2 | 14 | 0 | 3 |
| Supersonic Combat Aircraft | 447 | 1810 | 225 | 325 | 1 | 121 |
| Subsonic Combat Aircraft | 175 | 185 | 101 | 145 | 0 | 20 |
| Other Aircraft | 295 | 575 | 40 | 375 | 640 | 376 |
| Helicopters | 281 | 1395 | 0 | 475 | 170 | 105 |
| Surface-to-Air Missiles (SAMs) | 3806 | 22960 | 735 | 3210 | 6195 | 1530 |
| Surface to Surface Missiles | 16661 | 14250 | 5170 | 6535 | 10610 | 565 |
| Anti-Shipping Missiles | 102 | 1025 | 390 | 1315 | 0 | 20 |

* Third world category excludes Europe, the United States, U.S.S.R., Canada, Japan, Australia, and New Zealand. All data are for calendar years given.

** Major Western European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure.

Source: U.S. Government

TABLE 1K
ARMS TRANSFER DELIVERIES TO THE THIRD WORLD, 1983-1990
AGREEMENTS WITH THE LEADING RECIPIENTS
(In millions of current U.S. dollars)

| Rank | Supplier | Agreements Value 1983-1986 |
|-------------|-----------------|-------------------------------------------|
| 1 | Saudi Arabia | 21,819 |
| 2 | Iraq | 20,490 |
| 3 | India | 9,261 |
| 4 | Iran | 8,940 |
| 5 | Syria | 7,235 |
| 6 | Vietnam | 6,700 |
| 7 | Cuba | 6,685 |
| 8 | Egypt | 5,812 |
| 9 | Angola | 5,155 |
| 10 | Libya | 5,030 |

| Rank | Supplier | Agreements Value 1987-1990 |
|-------------|-----------------|-------------------------------------------|
| 1 | Saudi Arabia | 68,495 |
| 2 | Afghanistan | 10,920 |
| 3 | Iran | 9,990 |
| 4 | Iraq | 9,965 |
| 5 | India | 7,505 |
| 6 | Egypt | 7,040 |
| 7 | Cuba | 5,921 |
| 8 | Angola | 5,775 |
| 9 | Vietnam | 5,680 |
| 10 | Syria | 5,590 |

| Rank | Supplier | Agreements Value 1983-1990 |
|-------------|-----------------|-------------------------------------------|
| 1 | Saudi Arabia | 57,323 |
| 2 | Iraq | 30,455 |
| 3 | Iran | 18,930 |
| 4 | India | 16,766 |
| 5 | Afghanistan | 14,235 |
| 6 | Egypt | 12,852 |
| 7 | Syria | 12,825 |
| 8 | Cuba | 12,606 |
| 9 | Vietnam | 12,380 |
| 10 | Angola | 10,930 |

Source: U.S. Government
